



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
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CHANGES IN DEPOSIT RULES AND REVISION OF ATF FORM 5300.27

All Firearms and Ammunition Excise Taxpayers and Others Concerned:

Purpose. This industry circular highlights changes in the deposit law and regulations. Also, this circular announces a new edition (7-95) of ATF Form 5300.27, Federal Firearms and Ammunition Excise Tax Deposit.

Deposit Rules. New regulations (T.D. ATF-365) will be effective on July 1, 1995. The new regulations simplify the rules for who must make deposits and when and how much excise tax should be deposited. The new edition of ATF Form 5300.27, which is included with this circular, has incorporated these changes.

Exemptions from Making Deposits. Before July 1, 1995, only persons who had an unpaid tax liability of \$100 or less during a calendar quarter were exempt from making deposits of tax. All other persons were required to make monthly or semimonthly deposits of tax, or if ATF required, to file monthly or semimonthly returns.

The new regulations will require that persons make semimonthly deposits with the following exemptions. A person whose tax liability does not exceed \$2,000 in a calendar quarter and does not elect to use the look-back quarter rule (see instruction 4b of ATF Form 5300.27) will be exempt from making deposits. The new regulations also provide a deposit exemption to persons who do not engage in any trade or business covered by the tax return and file one-time or occasional firearms and ammunition excise tax returns (ATF Form 5300.26). In addition, a person who ATF requires to file semimonthly returns will be exempt from making deposits.

Determining the Amount to Deposit. The new regulations simplify the rules governing the amount of each tax deposit. Taxpayers will use one of three rules: the general rule (100 percent); a look-back quarter rule; and first-time filer rule. The use of these deposit rules are explained in instruction 4 of the new edition (7-95) of ATF Form 5300.27. Use these rules for the deposits made for the calendar quarter beginning July 1995 and subsequent quarters. Disregard the tax deposit rules stated in instruction 23 on ATF Form 5300.26, Federal Firearms and Ammunition Excise Tax Return.

Deposit Periods and Due Dates. Semimonthly periods are the first 15 days of each calendar month and the 16th through the last day of each calendar month. Under the new rules, deposit periods are semimonthly periods with one exception. Recent legislation (Section 712 of P.L. 103-465, Uruguay Round Agreement Act) split the semimonthly period of September 16 through 30 into two deposit periods. The first deposit period is September 16 through 25, for which a deposit will be due no later than September 28. The second deposit period is September 26 through 30, for which a deposit will be due no later than October 9.

Deposits for the semimonthly periods will still be due no later than nine days after the end of the semimonthly period. When a due date for a deposit occurs on a Saturday, Sunday or legal holiday, the deposit due date changes. Refer to the instructions on ATF Form 5300.27.

New Edition (7-95) of ATF Form 5300.27. Begin using the 7-95 edition of ATF Form 5300.27 for your first deposit for the calendar quarter of July through September 1995. You may photocopy this form or order additional copies from the ATF Distribution Center, P.O. Box 5950, Springfield, VA 22153 (Telephone 703-455-7801). Please discard any remaining copies of the previous edition (10-90) of ATF Form 5300.27 after you have made your last deposit for the calendar quarter of April through June 1995.

Questions. Direct questions concerning this circular to an office listed in the instructions on ATF Form 5300.27, or to the Tax Compliance Branch, Bureau of Alcohol, Tobacco and Firearms, Room 5190, Washington, DC 20226.


Director